

R-2514C-1 BOLD EAGLE 76

Boundaries. Beginning at Lat. 38°00'00" N., Long. 116°26'00" W.; to Lat. 38°01'00" N., Long. 116°00'00" W.; to Lat. 38°04'30" N., Long. 115°18'00" W.; to Lat. 37°17'00" N., Long. 115°18'00" W.; thence along the north and east boundaries of R-4806, R-4808 and R-4807, to Lat. 37°53'00" N., Long. 116°26'00" W.; to point of beginning.

Designated altitudes. 200 feet AGL to FL 180.

Time of designation. 0800 PST to 1700 PST daily February 4 and 5, 1976; 0001 PST February 6, 1976 to 1800 PST February 17, 1976.

Controlling agency. Federal Aviation Administration, Los Angeles ARTC Center.

Using agency. US Air Force Tactical Air Command/USAF Readiness Command (TAC/USAFRED), Langley Air Force Base, Virginia 23665.

R-2514C-2 BOLD EAGLE 76

Boundaries. Beginning at Lat. 38°00'00" N., Long. 116°26'00" W.; to Lat. 38°01'00" N., Long. 116°00'00" W.; to Lat. 38°04'30" N., Long. 115°18'00" W.; to Lat. 37°17'00" N., Long. 115°18'00" W.; thence along the north/eastern boundaries of R-4806, R-4808 and R-4807 to Lat. 37°53'00" N., Long. 116°26'00" W.; to point of beginning.

Designated altitudes. FL 180 to FL 350.

Time of designation. 0800 PST to 1700 PST daily, February 4 and 5, 1976; 0001 PST February 6, 1976 to 1800 PST February 17, 1976.

Controlling agency. Federal Aviation Administration, Los Angeles ARTC Center.

Using agency. US Air Force Tactical Air Command/USAF Readiness Command (TAC/USAFRED), Langley Air Force Base, Virginia 23665.

R-2514D-1 BOLD EAGLE 76

Boundaries. Beginning at Lat. 37°17'00" N., Long. 115°18'00" W.; to Lat. 38°04'30" N., Long. 115°18'00" W.; to Lat. 38°08'00" N., Long. 114°25'00" W.; to Lat. 37°53'00" N., Long. 113°39'00" W.; to Lat. 37°17'00" N., Long. 114°07'00" W.; to point of beginning.

Designated altitudes. 200 feet to FL 180.

Time of designation. 0800 PST to 1700 PST daily February 4 and 5, 1976; 0001 PST February 6, 1976 to 1800 PST February 17, 1976.

Controlling agency. Federal Aviation Administration, Los Angeles ARTC Center.

Using agency. US Air Force Tactical Air Command/USAF Readiness Command (TAC/USAFRED), Langley Air Force Base, Virginia 23665.

R-2514D-2 BOLD EAGLE 76

Boundaries. Beginning at Lat. 37°17'00" N., Long. 115°18'00" W.; to Lat. 38°04'30" N., Long. 115°18'00" W.; to Lat. 38°08'00" N., Long. 114°25'00" W.; to Lat. 37°53'00" N., Long. 113°39'00" W.; to Lat. 37°17'00" N., Long. 114°07'00" W.; to point of beginning.

Designated altitudes. FL 180 to FL 350.

Time of designation. 0800 PST to 1700 PST daily, February 4 and 5, 1976; 0001 PST February 6, 1976 to 1800 PST February 17, 1976.

Controlling agency. Federal Aviation Administration, Los Angeles ARTC Center.

Using agency. US Air Force Tactical Air Command/USAF Readiness Command (TAC/USAFRED), Langley Air Force Base, Virginia 23665.

R-2514E-1 BOLD EAGLE 76

Boundaries. Beginning at Lat. 37°17'00" N., Long. 115°18'00" W.; to Lat. 37°17'00" N., Long. 114°07'00" W.; to Lat. 36°53'00" N., Long. 114°26'00" W.; to Lat. 36°53'00" N., Long. 115°18'00" W.; to point of beginning.

Designated altitudes. 200 feet AGL to FL 180.

Time of designation. 0800 PST to 1700 PST daily, February 4 and 5, 1976; 0001 PST February 6, 1976 to 1800 PST February 17, 1976.

Controlling agency. Federal Aviation Administration, Los Angeles ARTC Center.

Using agency. US Air Force Tactical Air Command/USAF Readiness Command (TAC/USAFRED), Langley Air Force Base, Virginia 23665.

R-2514E-2 BOLD EAGLE 76

Boundaries. Beginning at Lat. 37°17'00" N., Long. 115°18'00" W.; to Lat. 37°17'00" N., Long. 114°07'00" W.; to Lat. 36°53'00" N., Long. 114°26'00" W.; to Lat. 36°53'00" N., Long. 115°18'00" W.; to point of beginning.

Designated altitudes. FL 180 to FL 350.

Time of designation. 0800 PST to 1700 PST daily, February 4 and 5, 1976; 0001 PST February 6, 1976 to 1800 PST February 17, 1976.

Controlling Agency. Federal Aviation Administration, Los Angeles ARTC Center.

Using agency. US Air Force Tactical Air Command/USAF Readiness Command (TAC/USAFRED), Langley Air Force Base, Virginia 23665.

Exercise BOLD EAGLE 76 will train active and reserve component forces in all phases of joint ground and air operations. The temporary restricted areas are required to accommodate the extensive air operations associated with the exercise. Approximately 196 tactical fighter aircraft, 13 reconnaissance, 10 airlift, 150 rotary wing and 50 other fixed wing aircraft would be involved. The aircraft would be conducting close air support, interdiction, air defense/counter air, reconnaissance, drone launch and recovery, aerial resupply and electronic warfare missions which would require air maneuvering through a wide range of airspeeds and altitudes. Total air traffic associated with the exercise is expected to exceed 500 sorties per day.

A Tactical Air Control System (TACS) would be established for the control of exercise aircraft within designated airspace. Nonparticipating aircraft would be allowed penetration of and operations within the designated exercise airspace after coordination with the appropriate TACS facility. They should encounter little or no delay in obtaining clearance.

Leased lines of communications would be installed with appropriate FAA facilities in order to accomplish the orderly and safe ingress/egress of both exercise air traffic and coordinated movement of nonexercise air traffic within and proceeding in and out of the exercise areas. A wide area telecommunications system (WATS) reverse charge telephone number would be provided so that nonparticipating pilots can obtain clearances on an individual basis without charge to themselves. The number would be published in Part 3 of the Airman's Information Manual (AIM) effective during the exercise period.

Except for approved arrivals and departures at operating bases, exercise aircraft will avoid overflight of inhabited areas. The users of the temporary restricted areas understand that they are also obligated to observe the minimum safe altitudes prescribed in § 91.79 of the Federal Aviation Regulations that are applicable for the protection of persons and property on the surface. All close air support training will be conducted in uninhabited maneuver areas and the

permanent restricted areas, R-2502 and R-2524.

These amendments are proposed under the authority of Sec. 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348 (a)) and Sec. 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

Issued in Washington, D.C., on September 5, 1975.

WILLIAM E. BROADWATER,
Chief, Airspace and Air
Traffic Rules Division.

[FR Doc. 75-24082 Filed 9-10-75; 8:45 am]

ENVIRONMENTAL PROTECTION
AGENCY

[40 CFR Part 52]

COMMONWEALTH OF PUERTO RICO

Approval and Promulgation of
Implementation Plans

On January 3, 1975, the Governor of the Commonwealth of Puerto Rico submitted to the Regional Administrator a proposed revision to Article 6 of the Puerto Rico Regulation for the Control of Atmospheric Pollution. This regulation revises the control strategy for sulfur oxides in Puerto Rico by assigning a maximum allowable sulfur content, by weight, to each source having a rated heat input capacity which is greater than 8 million Btu/hr. The sulfur contents are chosen such that the resulting ambient air quality concentrations predicted by means of a specified dispersion model are below the national ambient air quality standards for sulfur oxides.

The computer printouts initially submitted with the plan revision request for the area of Ensenada which is part of the Aguada air basin and Barceloneta showed that the Central Guanica and Pfizer plants in these areas had been modeled without having included the impact of terrain on the predicted sulfur dioxide concentrations. On June 2, 1975, the Executive Director of EQB submitted the predicted sulfur dioxide concentrations for these areas after terrain was included. The calculations showed that with the sulfur in fuel limitations assigned in Appendix B contravention of the maximum 24-hour and annual average national standards for sulfur oxides resulted. Consequently, in a previous issue of the FEDERAL REGISTER, the Administrator is proposing maximum fuel limitation which had been assigned to these sources. To correct the deficiencies with regard to these sources, the Administrator is proposing maximum sulfur in fuel limitations of 0.4 percent and 0.5 percent, by weight, for the Central Guanica plant and Pfizer unit #15, respectively. The assignment of these sulfur in fuel limitations will ensure that national standards for sulfur oxides will not be contravened in the Aguada and Barceloneta air basins.

Public hearings on this proposed rulemaking will be held not less than 30 days after publication of this notice. Notice of the times, dates and locations of the

hearings will be published in a subsequent issue of the *FEDERAL REGISTER*.

Interested persons may participate in this rulemaking by submitting written comments, preferably in triplicate, to the Regional Administrator, EPA, Region II, 26 Federal Plaza, New York, New York 10007. Receipt of comments will be acknowledged. Comments received will be available for public inspection during normal business hours at the EPA Region II Office, 26 Federal Plaza, New York, New York, Room 907 and at other locations to be announced in Puerto Rico. This notice of proposed rulemaking is issued under the authority of section 110 (c) of the Clean Air Act (42 U.S.C. 1857c-5(c)).

Dated: September 4, 1975.

JOHN QUARLES,
Acting Administrator.

It is proposed to amend Part 52 of Chapter I, Title 40 Code of Federal Regulations as follows:

Subpart BBB—Puerto Rico

Section 52.2729 is amended by adding a new paragraph (e) as follows:

§ 52.2729 Control strategy and regulations: Sulfur oxides.

(e) Regulation for control of sulfur compound emissions. (1) On and after the effective date of this paragraph, the maximum allowable sulfur in fuel limitation, by weight, for Pfizer unit #15 in the Barceloneta air basin shall be 0.5 percent.

(2) On and after the effective date of this paragraph, the maximum allowable sulfur in fuel limitation, by weight, for the Central Guanica facility in the Aguada air basin shall be 0.4 percent.

(3) All other provisions of Article 6 of the Puerto Rico Regulation for Control of Atmospheric Pollution shall remain applicable to the sources referenced in paragraph (e) (1) and (2) of this section.

[FR Doc. 75-24201 Filed 9-10-75; 8:45 am]

FEDERAL TRADE COMMISSION

[16 CFR Part 453]

FUNERAL INDUSTRY PRACTICES

Trade Regulation Proceeding Correction

In FR Doc. 75-22962, appearing at page 39901, of the issue of Friday, August 29, 1975, the following changes should be made:

1. In the second column on page 39903, in paragraph (d) (1), the 16th line, the word "other" should be changed to read "outer".

2. In the second column on page 39904, the fourth and fifth lines should be transposed.

3. In the third column on page 39904, paragraph (b), the eleventh line, the word "the" should be inserted before the word "necessity".

4. On page 39905, in the second line of footnote 7, the word "rev'q" should be changed to read "rev'g".

SECURITIES AND EXCHANGE COMMISSION

[17 CFR Parts 231, 239, 240, 241, 249, 259]

[Release Nos. 33-5609, 34-11616, 35-19140; File No. 57-580]

DISCLOSURE OF CORPORATE OWNERSHIP

Rules, Schedules, and Reporting and Registration Forms

The Commission today proposed rules and amendments to its rules, schedules, and reporting and registration forms relating to the disclosure of beneficial ownership for purposes of: Sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (Exchange Act); the proxy rules and certain registration and reporting forms under the Exchange Act, certain registration forms under the Securities Act of 1933 (Securities Act) and Form U5S (17 CFR 259.5s) under the Public Utility Holding Company Act of 1935 (Holding Company Act). In addition, proposals would require disclosure in proxy statements and certain reporting forms and registration statements of the 30 largest record holders of any class of voting securities and of the associated underlying voting authority.

The purpose of the proposals is to make more meaningful and, in some cases, to clarify, disclosure of beneficial ownership and holders of record of securities of an issuer. The proposed rules and amendments under sections 13 and 14 of the Exchange Act would (1) provide standards for determination of beneficial ownership for purposes of sections 13(d) and 14(d); (2) require more disclosure in Schedule 13D (17 CFR 240.13d-101) about the nature of the beneficial ownership and about other beneficial owners of the securities; (3) require disclosure in Schedule 13D of record holders of the securities reported on; (4) permit filing of one Schedule 13D reporting different owners of the same securities; (5) deem certain persons who become beneficial owners of securities to have acquired such securities for purposes of Section 13(d) (1); (6) provide a short form acquisition notice, Form 13D-5, to be used by certain persons who acquire securities in the ordinary course of their business and not for purposes of control; and (7) provide an exemption from the filing requirements of Section 13(d) (1) for certain underwriters who acquire securities in the ordinary course of a firm commitment underwriting.

The proposed amendments to the various registration and reporting forms requiring disclosure of principal security holders as well as to Schedule 14A, Information Required in Proxy Statement (17 CFR 240.14a-101), would require disclosure, to the extent known by the issuer, of (1) beneficial owners of more than five percent of any class of voting securities and the nature of their own-

ership; (2) the aggregate amount and nature of beneficial ownership by officers and directors of each class of voting securities of the issuer; and (3) the 30 largest holders of record of each class of voting securities (names of persons holding less than 1/10 of 1 percent of the outstanding securities of the class need not be included) and their voting authority and underlying voting authority, if known. The proposed rule relating to who is a beneficial owner for purposes of section 13(d) is proposed to be adopted as an instruction to the proposed item relating to beneficial ownership, to Schedule 14B under the proxy rules, and to Form U5S under the Holding Company Act which requires disclosure of beneficial owners of more than one percent of any class of voting securities.

This release contains a general description of the background, purpose and general effect of the proposals to assist in a better understanding of their provisions. A brief synopsis is also included. However, attention is directed to the proposals themselves for a more complete understanding.

BACKGROUND

Since the adoption of sections 13(d) and 14(d) of the Exchange Act in 1968, as amended, requiring disclosure by persons acquiring beneficial ownership of more than five percent¹ of certain classes of securities of an issuer, there have been questions raised about the standards to be applied for determination of beneficial ownership for purposes of the reporting requirements of sections 13(d) and 14(d). The need for improved disclosure in this area has become more apparent recently because of increased public interest in the identity and nationality of any person who has the power to influence or effect changes in the control of corporations.

In the fall of 1974, the Commission conducted hearings concerning beneficial ownership and related matters.² Letters of comment from interested persons and written and oral testimony from witnesses at the hearings were received on, among other things, the questions whether the term "beneficial owner" should be defined and, if so, how, and whether there should be additional disclosure by beneficial owners and by companies about principal owners of their securities.

On the basis of the record of the Beneficial Ownership Hearings, Congressional concern with full disclosure in this area³ and the Commission's experience in administering the existing rules, the Commission is proposing rules intended to make more meaningful and to clarify disclosure concerning beneficial owners of securities of public companies. The Commission is of the view that these proposals, if adopted, would carry out the Congressional purpose for enacting section 13(d).⁴ In addition to disclosure about beneficial owners, the Commission is also proposing disclosure of the 30 largest record holders of each class of

See footnotes on pages 42216 and 42217.

voting securities of an issuer, subject to a de minimis exception. This proposal reflects some of the recommendations of the Interagency Steering Committee on Uniform Corporate Reporting¹ which recommended that agencies such as the Commission, the Civil Aeronautics Board, the Federal Communications Commission and the Interstate Commerce Commission require disclosure of, among other things, the 30 largest record holders and of their voting power with regard to issuers subject to the authority of such agencies.

SYNOPSIS OF PROPOSALS

PROPOSED AMENDMENT TO RULE 13D-1: FILING OF SCHEDULE 13D

The proposed standards for determination of beneficial ownership (see discussion of proposed Rule 13d-3 below) could result in there being more than one beneficial owner of the same securities. This is particularly true with regard to the attribution provisions of proposed Rule 13d-3(a) which deem family members sharing the same home to be the beneficial owners of any securities held by any of them and where the incidents of ownership are split between several persons. Therefore, it is proposed to amend Rule 13d-1 (17 CFR 240.13d-1) to provide that only one report need be filed to report beneficial ownership of either a family group sharing the same home or of the same securities beneficially owned by different persons. In each case, the report would have to identify the persons who are beneficial owners of the securities and state that it is filed on behalf of all such persons. The proposals allowing for one report relate only to Schedule 13D and section 13(d)(1), not to any short form filings on proposed Form 13D-5.

PROPOSED AMENDMENT TO RULE 13D-3: DETERMINATION OF BENEFICIAL OWNERSHIP

Proposed Rule 13d-3 would provide standards for determining who is a beneficial owner for purposes of deciding who must file the statement required by section 13(d). At present, there is no explicit definition of the term "beneficial owner" for purposes of this section.

Section 13(d) provides that any person who, after acquiring directly or indirectly the beneficial ownership of any equity security of a class which is registered pursuant to Section 12 of the Exchange Act, or any equity security of an insurance company which would have been required to be so registered except for the exemption contained in section 12(g)(2)(G) of the Exchange Act, or any equity security issued by a closed-end investment company registered under the Investment Company Act of 1940, is directly or indirectly the beneficial owner of more than five percent of such class must file an acquisition statement with the Commission and send it to the issuer and any exchange on which the securities are traded.

Proposed amendments to Rule 13d-3 would, for purposes of section 13(d),

deem any person who directly or indirectly through any contract, arrangement, understanding or relationship, has or shares the power to direct the voting or disposition of a security or who has or shares the right to receive or the power to direct the receipt of dividends from or the proceeds of sale of a security to be a beneficial owner of such security. Thus, as a note to the proposed rule points out, there could be more than one beneficial owner of the same securities, for example, the account owner and the broker in a discretionary account. In addition, as another note indicates, all securities beneficially owned by a person would be aggregated in determining how many securities he owned, regardless of the nature of his beneficial ownership. Thus, a person who served as investment adviser to a group of mutual funds and also as adviser to discretionary accounts might be the beneficial owner of the securities held by the funds as well as in the accounts and would have to aggregate the number held in each capacity in determining whether or not he was the beneficial owner of more than five percent of a class.

The proposed rule, also provides specifically that certain persons, whether or not they otherwise would come within the definition, would be deemed to be beneficial owners. Thus, proposed Rule 13d-3(a)(1) deems a person to be a beneficial owner of all securities beneficially owned by all individuals who are related by blood, marriage or adoption to such person and who share the same home. In addition, proposed Rule 13d-3(a)(2) incorporates and expands existing Rule 13d-3 (17 CFR 240.13d-3) and deems a person to be the beneficial owner of securities which he has a right to acquire through the exercise of an option, warrant, or right exercisable within 60 days, through the conversion of convertible securities convertible within 60 days, or through the revocation of a trust or similar arrangement. The definition of beneficial owner, although intended to be broad, would not usually include such persons as pledgees pursuant to a bona fide pledge agreement, remaindermen under various trusts or estate arrangements or other persons who have an interest in securities that is subject to a condition occurring over which they have no control. As indicated in the proposed note to Rule 13d-3(b), if the conditions are within the control of the holder of the right to acquire the securities, the holder would be considered to be the beneficial owner of the securities to which such right related.

The proposed rule contains a specific exclusion for persons who would come within the definition solely because they are members of a national securities exchange that has rules allowing the members to vote securities held of record, without instruction, on certain routine matters.²

Although the proposal would provide specific standards for determination of beneficial ownership, the actual determination usually rests on an analysis of the facts and circumstances of each case. It should be noted that if there is a plan

or scheme to evade the reporting requirements of section 13(d), a report under section 13(d)(1) would be required.

The proposed rule also provides that any person may expressly declare in any statement filed that the filing of the statement shall not be construed as an admission that the person is the beneficial owner of the securities covered by the statement. This is parallel to the provision in Rule 16a-3 (17 CFR 240.16a-3) under the Exchange Act which allows a similar disavowance in reports filed pursuant to section 16(a). It should be noted, however, that this parallel does not carry over to the definition of beneficial ownership. Since the purposes of section 16 are different from those of sections 13(d) and 14(d), the Commission is not proposing to amend the rules under section 16. The current concept of beneficial ownership for purposes of section 16 would continue to be applicable, as defined and interpreted by the Commission and construed by the federal courts.

PROPOSED RULE 13D-5 AND FORM 13D-5: SHORT FORM ACQUISITION STATEMENT

The proposed definition of beneficial owner includes persons who, although deemed to have beneficial ownership of securities, have acquired the securities in the ordinary course of their business and not with a view toward changing or effecting a change in control of the issuer (for example, an endowment fund). In such cases, filing of a Schedule 13D and prompt amendment of such schedule do not appear to be necessary for the purposes of section 13(d). To alleviate burdens on such persons, Congress specifically provided in section 13(d)(5) that the Commission could permit the filing of a short form acquisition notice in lieu of the more detailed Schedule 13D which, since it is primarily aimed at obtaining information about potential changes in control, calls for specific information about the beneficial owner, his holdings and his plans.

The Commission believes, particularly in light of the proposed definition of "beneficial owner" for purposes of section 13(d), that it is appropriate to propose a short form acquisition notice pursuant to section 13(d)(5). Proposed Rule 13d-5 would make proposed Form 13D-5 available to any registered broker or dealer, insurance company exempted from the Exchange Act pursuant to Section 12(g)(2)(G), bank required to file under section 12(i) of the Exchange Act, registered investment company, registered investment adviser, or employee benefit plan, pension fund or endowment fund that had acquired the beneficial ownership of more than five percent of a class subject to section 13(d)(1), if such person had acquired the securities in the ordinary course of its business and not with the purpose or effect of changing or influencing the control of the issuer nor in connection with, or as a participant, in any transaction having such purpose or effect. This latter standard is the standard set by section 13(d)(5). The short form would be available only to

¹ See footnotes on pages 42216 and 42217.

the persons specified since they are the ones who are most likely to have acquired more than a five percent interest in an issuer in the ordinary course of their business.

The proposed short form, Form 13D-5, would require the name and business address of the principal office of the reporting person and the country of which such person is a national; the name of the issuer; the reporting person's business; and the amount and percentage of the class beneficially owned. In addition, any nominees used as record holders and their addresses would have to be identified, and the reporting person would have to represent that the securities were acquired in the ordinary course of business as set forth in section 13(d)(5).

In connection with the proposed short form acquisition notice, the Commission is also proposing a rule relating to the necessity for amendment of such notice. Existing Rule 13d-2 (17 CFR 240.13d-2) requires prompt amendment of an acquisition statement whenever a material change in the facts reported on occurs. The Commission believes it would be unworkable and also unnecessary for the protection of investors to require amendments to the short form notice whenever any material change occurs, since many of the persons filing such a notice would be financial institutions that might have changes occurring frequently in the ordinary course of their businesses. Therefore the Commission is proposing Rule 13d-5(b) which would, notwithstanding Rule 13d-2, require that an amendment to the short form notice reflecting material changes as of the end of the quarter be filed within ten days of the end of each calendar quarter; one type of material change that would have to be reported would be a decrease to five percent or less in the percent of the class owned. However, as a proposed note indicates, once an amendment to the short form notice has been filed reflecting ownership of five percent or less, no additional filing would be required unless the person thereafter acquired securities resulting in ownership of more than five percent of the class. To be able to use the quarterly update rather than be subject to Rule 13d-2, the person would have to continue to be eligible to file a short form acquisition notice pursuant to the requirements set forth in proposed Rule 13d-5. If the person ceased to meet such requirements for the short form notice, he would, under proposed Rule 13d-5(c), immediately become subject to Rule 13d-1.

The Commission is of the opinion that the information that would be required in the short form acquisition notice would be sufficient for purposes of section 13(d) so long as the securities were acquired in the ordinary course of business and not for the purpose (nor with the effect of) changing or influencing control of the issuer, nor in connection with any transaction having such purpose or effect. The Commission believes, however, that obtaining the short form

information is important even where the object is not control since any large block of securities subject to direction by one person has the potential to be significant in influencing control of the issuer.

The Commission is aware that information obtained in the short form notice may, at some future time, also be required pursuant to new section 13(f) of the Exchange Act.⁷ At such time as rules are adopted thereunder, the Commission intends, where appropriate, to revise any rules necessary to avoid duplication of information and unnecessary burdens on institutional holders of securities.

PROPOSED RULE 13D-6: ACQUISITION OF SECURITIES

The Commission is proposing Rule 13d-6 which would deem certain persons who become beneficial owners of securities to have "acquired" them for purposes of section 13(d)(1) of the Exchange Act. Under proposed Rule 13d-6(a), a person such as a donee, executor, trustee or legatee who becomes a beneficial owner of securities without purchasing them shall be deemed to have "acquired" the securities for purposes of section 13(d)(1).⁸ This would make it clear that an acquisition statement would have to be filed by such person if he becomes beneficial owner of more than five percent of a class subject to section 13(d)(1) even though he had not intended, and had taken no action, to become a beneficial owner.

Proposed Rule 13d-6(b) would deem persons who have agreed, whether orally or in writing, to act together for purposes of acquiring, holding or disposing of securities of an issuer to have "acquired," as of the time of the agreement, the securities beneficially owned by each of the persons in the group. This proposal is based in part on the holding of the court in "GAF v. Milstein,"⁹ where the court decided that, for purposes of section 13(d)(1), it was not necessary for a group to acquire additional securities if their combined holdings, upon formation of the group, were more than five percent of the class.

PROPOSED RULE 13D-7: EXEMPTION FOR CERTAIN UNDERWRITERS

In connection with the proposal to provide a short form for persons who acquire securities in the ordinary course of their business, the Commission is proposing Rule 13d-7 which would provide an exemption from section 13(d)(1) for acquisitions by certain underwriters. Section 13(d)(6)(D) of the Exchange Act provides that the Commission can exempt an acquisition from section 13(d)(1) if it determines that the acquisition was not entered into for the purpose of, and does not have the effect of, changing or influencing the control of the issuer, or is otherwise not comprehended within the purposes of section 13(d)(1).

The Commission believes that an acquisition by an underwriter of securities as part of a good faith firm commitment underwriting where it is anticipated that he will, as part of the distribution, be immediately reselling such securities, is

not the type of acquisition that section 13(d)(1) was intended to cover. Proposed Rule 13d-7 would exempt an acquisition of securities by a person in the business of underwriting distributions through his participation in good faith in a firm commitment underwriting. However, the proposed rule would subject such underwriter to section 13(d)(1) if he retains beneficial ownership of the securities for more than 40 days (based on the 40 day period specified in section 4(3) of the Securities Act).

PROPOSED AMENDMENTS TO SCHEDULE 13D: MORE MEANINGFUL DISCLOSURE OF BENEFICIAL OWNERS AND HOLDERS OF RECORD

Since the proposed concept of beneficial owner may be somewhat broader than the current understanding of the term, the Commission is proposing amendments to the Notes and Items 2, 3, 5 and 6 of Schedule 13D, the acquisition statement, to reflect the proposed definition and to obtain more meaningful information about the beneficial owners and the nature of their ownership. In addition, a proposed paragraph would call for information about any record holder of the securities beneficially owned. Information obtained in the Beneficial Ownership Hearings and experience in this area suggest that other amendments to Schedule 13D may be appropriate; the staff of the Commission is currently considering recommending additional amendments.

Notes. As it now reads, Note B of Schedule 13D (the Notes are proposed to be changed to Instructions) requires that, if a reporting person is a corporation, the information required by Items 2-6 of the Schedule must be included with respect to each officer and director and controlling person of the corporation. The Commission believes that requiring such detailed information about each officer is unnecessarily broad and thus is proposing to limit the requirement to information about each "executive" officer, as defined to include the president, secretary, treasurer, any vice president in charge of a principal business function (such as sales, administration or finance) and any other person who performs similar policy making functions for the corporation. In addition, the Note, proposed Instruction B, would be amended to refer to "affiliate" rather than "controlling person."

The Commission also proposes to add a new Instruction C which would reflect the proposed definition of beneficial owner as it relates to family members sharing the same home. Under the proposed definition, all such persons would be deemed to be beneficial owners of securities owned by any of them; however, proposed Rule 13d-1(c) would allow only one report to be filed on behalf of all such persons. Proposed Instruction C specifies that information called for by Items 2-6 would need to be provided only as to the head of the household and as to each adult member of the household who would be the beneficial owner of the securities in the absence of the special provisions for attribution set forth in Rule

⁷ See footnotes on pages 42216 and 42217.

13d-3(a)(1). Thus, information would not have to be provided about any children nor about adults who are deemed to be beneficial owners solely because they share the same home with another beneficial owner.

Item 2. Item 2 of Schedule 13D, "Identity and Background," is proposed to be amended to require, in addition to information about the background of the person filing the Schedule, identification of the country of which such person is a national. The Commission specifically invites comment as to whether disclosure of citizenship would be more appropriate, and, if so, the reasons therefor.

Item 3. Item 3 of Schedule 13D, "Source and amount of funds or other consideration," requires information about the source of funds or other consideration used to acquire the securities reported on, or to be used to acquire additional securities. The Commission is proposing to amend Item 3 by adding a requirement that, if the securities reported on were acquired otherwise than by purchase, the method of acquisition should be described and the person from whom the securities were acquired identified. Thus, if the securities were received as a gift, the name of the donor and the circumstances of the gift would have to be included in the Schedule 13D.

Item 5. The core of disclosure about the securities beneficially owned by the person filing the report is contained in Item 5, "Interest in securities of the issuer." The Commission is proposing to amend existing Item 5 to reflect the broad definition of beneficial owner and to obtain more information relating to the securities owned.

As amended, Item 5 would require a statement of the number and percentage of the class beneficially owned by each of the persons about whom information is required by the Schedule and by each of their affiliates. Existing Item 5 requires information about the ownership of securities by associates, which may be a larger group than "affiliates."¹⁸ In light of the expanded definition of beneficial owner, however, the Commission believes that information need only be furnished about affiliates of the persons reporting. The amended item would also require a description of the nature of each person's beneficial ownership, the names of any persons other than those set forth who share beneficial ownership of a material amount of the securities reported on, information about any transactions in the class of securities effected during the past 60 days by the persons reporting or by executive officers, directors or affiliates of any subsidiaries of a reporting corporation. In addition, the proposed item would require disclosure of any overlapping beneficial ownership so that a fair understanding of the amount of securities actually owned could be achieved from reading the Schedule.

Item 6. The Commission is also proposing to amend Item 6, "Contracts, arrangements or understandings with respect to securities of the issuer," to make clear that disclosure should be made if

any of the securities are subject to any contingency that would give the power to direct the voting or disposition of the securities to another person or would give another person the right to receive or the power to direct the receipt of the dividends or proceeds from the sale of such securities.

It is also proposed to add a new paragraph to Item 6 requiring disclosure of the record holder of the securities, if different from the person filing the statement. For purposes of this proposed paragraph, the record holder would be the person who is identified as the holder of the securities on the records of security holders maintained by or on behalf of the issuer of the securities. The name and address of the record holder would have to be provided, and if the record holder is a nominee, the name and address of the person employing the nominee would have to be included. For these purposes, where the nominee is the nominee for a clearing agency (such as Cede & Co. for the Depository Trust Company), information would have to be given about the participant in the clearing agency who deposited the securities.

Signature. The signature section of Schedule 13D is proposed to be amended to require that whenever the statement is filed on behalf of more than one person, each person on whose behalf it is filed must sign it, with certain exceptions relating to filings on behalf of a family. This would mean that in the case of a group filing, each person who is a member of the group would have to sign the statement. The existing Schedule provides that if a statement is signed on behalf of a person by an authorized representative, evidence of the representative's authority must be filed with the statement.

PROPOSED AMENDMENT TO RULE 14d-1 (17 CFR 240.14d-1): DETERMINATION OF BENEFICIAL OWNERSHIP

Section 14(d) makes it unlawful for any person to make a tender offer for or a request or invitation for tenders of any class of security described in section 13(d)(1) if after consummation thereof, the person would directly or indirectly be the beneficial owner of more than five percent of the class, unless such person has filed with the Commission a statement of the type required by section 13(d).

In order to make clear that the definition of beneficial ownership for purposes of section 13(d)(1) also applies for purposes of section 14(d)(1), the Commission is proposing Rule 14d-1(g) so stating.

PROPOSED AMENDMENT TO SCHEDULE 14B: DETERMINATION OF BENEFICIAL OWNERSHIP

Schedule 14B (17 CFR 240.14a-102) under the Exchange Act must be filed by persons, other than management of an issuer, who solicit proxies in connection with an election contest. Item 3 of the Schedule requires information about shares of the issuer "beneficially owned." The Commission is proposing an instruction to Item 3 that would state that the

definition of beneficial owner in proposed Rule 13d-3 would be applicable in responding to the item.

Proposed amendments to Schedule 14A, Forms 10, 10-K, 12 and 12-K under the Exchange Act; to Forms S-1, S-2, S-3, S-11 and 1-A under the Securities Act of 1933; and to Form U5S under the Holding Company Act to require information about security ownership and holdings of principal beneficial owners and management and to require information about the 30 largest security holders of record.

Schedule 14A, Information Required in Proxy Statement (17 CFR 240.14a-101), the Form 10 (17 CFR 249.210) registration statement and the annual report Form 10-K (17 CFR 240.310) under the Exchange Act, as well as Form S-1 (17 CFR 239.11), S-2 (17 CFR 239.12), S-3 (17 CFR 239.13), and S-11 (17 CFR 239.18) registration statement forms and the Form 1-A Notification Statement of Regulation A (17 CFR 239.90) under the Securities Act and the Form U5S (17 CFR 259.5a) annual report form under the Holding Company Act require disclosure of the principal security holders, of record and beneficially, of the registrant and, in some instances, of the security holdings of management. Forms 12 (17 CFR 249.212) and 12-K (17 CFR 249.312) under the Exchange Act do not presently require information about principal security holders.

The Commission believes that information about both the record holders and the significant beneficial owners of the securities of the issuer is material to investors since it may be related to the question of who has or can influence control of the issuer. Also, there appears to be little reason to have different disclosure requirements for the various annual report, registration and notification forms, although the proxy statement form should contain more information about management holdings because the proxy statement is directly related to the voting of securities and to election of directors.

The Commission is therefore proposing to amend the above registration, notification, proxy and reporting forms to include an item (referred to for purposes of this release as Item X) calling for disclosure, to the extent known, with respect to (1) beneficial owners of more than five percent of any class of voting securities (one percent in the case of Form U5S); (2) aggregate beneficial ownership by officers and directors; and (3) any contractual agreement that involves a pledge of securities the operation of the terms of which may result in a change of control. Another proposed item (referred to as Item XA for purposes of this release) would require disclosure of the 30 largest holders of record of each class of voting securities subject to a de minimus exception, their voting authority, and certain underlying holders of voting authority, if not the record holder. These items, if adopted, would replace the existing principal security holder item in Schedule 14A and Forms 10, 10-K, S-1, S-2, S-3, S-11, 1-A and

¹⁸ See footnotes on pages 42216 and 42217.

U5S, and would be added to Forms 12 and 12-K. Since information required by Schedule 14A is also required to be included in information statements filed pursuant to section 14(c), no amendment to Schedule 14C (17 CFR 240.14c-101) is necessary.

In some instances, the items would be modified to reflect the purpose and structure of the particular form. The Commission is not publishing the specific items for each form because this would be unnecessarily complex and lengthy and the substance of the proposed items should provide adequate basis for comment.

Item X. The first paragraph of proposed Item X would require the name and address and holdings of any person (including any group) known to the registrant to be, directly or indirectly, the beneficial owner of more than five percent (as opposed to the present ten percent requirement in many forms) of any class of the registrant's voting securities. In the case of Holding Company Act Form U5S, this would include a beneficial owner of more than one percent. It should be noted that this proposal will indirectly increase disclosure in other areas, particularly the items requiring disclosure of "certain transactions" between management and "principal shareholders" named in response to the principal shareholder item.

A breakdown of each person's voting and investment authority over the securities and of his right to receive or power to direct the receipt of dividends or proceeds from the sale, would have to be included, if known. Identification of the country of which such person is a national would also be required, if known. However, the Instructions would specifically provide that the registrant could rely upon information set forth in acquisition statements filed with the Commission pursuant to section 13(d), unless the registrant knew or had reason to believe that the information was not complete or that an acquisition statement should have been filed but was not. The registrant would be deemed to know the contents of any statements filed pursuant to section 13(d).

The second paragraph of proposed Item X would require that the registrant include a table showing, as to each class of voting securities of the registrant or its parents or subsidiaries, the aggregate amount and percentage beneficially owned by all directors and officers of the registrant (other than directors' qualifying shares). This is similar to disclosure now required in several forms including Form 10-K. In addition, however, the proposed item would require an indication of the number of shares over which such persons have or share the power to direct the vote and disposition thereof and the number with respect to which they have the right to receive or the power to direct the receipt of dividends or the proceeds from sale.

Several forms now also contain a requirement that the registrant disclose

any contractual arrangement known to the registrant involving a pledge of securities if the operation of the terms of the arrangement might result in a change in control of the registrant. It is proposed that this be included in the item.

Proposed instructions to the item would make clear that the definition of beneficial owner for purpose of section 13(d) (proposed Rule 13d-3) would also apply for purposes of Item X. In addition, the proposed instructions would require that any overlapping beneficial ownership be appropriately disclosed, if known, in order to avoid confusion.

Item XA. Proposed Item XA would require that the issuer furnish for each class of voting securities the name and address of and amount and percentage of securities held of record by, and the voting authority (if known) held by, each of the 30 largest holders of record as of a recent date (except that a person holding less than 1/10 of 1 percent of the outstanding securities of the class need not be disclosed). In addition, the proposed item would require that if the issuer knows that a record holder does not have the power to direct the vote of securities held, the issuer must, to the extent known, provide information about the persons with power to direct the vote of the ten largest blocks of stock held of record by each record holder. Also, if the registrant has a corporate parent, comparable information would have to be provided about such parent.

A proposed instruction would specify that holder of record, as with Item 6(b) of Schedule 13D, means the person who is identified as the holder of securities on the records of security holders maintained by or on behalf of the issuer. The instruction would require, however, that if the holder of record is a nominee, the registrant must aggregate the holdings of different nominee accounts for the same person, to the extent known by the registrant after reasonable inquiry, and must identify the person employing the nominees. The person employing a nominee in the case of a nominee for a clearing agency would be the participant in such agency who deposited the securities. A proposed Note calls the attention of registrants to the Nominee List published annually by the American Society of Corporate Secretaries.

The proposal relating to holders of record is substantially based on the recommendations of the Interagency Steering Committee on Uniform Corporate Reporting. Although that Committee recommended that disclosure included the 30 largest shareholders of record and that anyone holding less than 1/10 of 1 percent of the outstanding securities not be required to be included, the Commission is considering other alternatives and specifically asks for public comment on the question of whether 30 is the appropriate and meaningful number and whether 1/10 of 1 percent is a reasonable cut off point for disclosure or whether some other standard such as a dollar amount is more appropriate. The Com-

mission also invites comment on the feasibility of obtaining the information proposed to be required about the persons with underlying power to direct the vote of the securities.

OPERATION OF PROPOSALS

The Commission is mindful of the cost to registrants and others of its proposals and it recognizes its responsibilities to weigh with care the costs and benefits which result from its rules. Accordingly, the Commission specifically invites comments on the cost to registrants and others of the proposals published in this release, if adopted.

The Commission hereby proposes for comment (1) proposed Rules 13d-5, 13d-6 and 13d-7 and Form 13D-5 and amendments to Rules 13d-1, 13d-3 and 14d-1, Schedules 13D, 14A and 14B, and Forms 10, 10-K, 12 and 12-K pursuant to sections 12, 13, 14, 15(d) and 23(a) of the Exchange Act; (2) proposed amendments to Forms S-1, S-2, S-3, S-11 and 1-A pursuant to sections 3(b), 7, 10 and 19(a) of the Securities Act, and (3) proposed amendments to Form U5S pursuant to sections 5, 7, 14 and 20 of the Holding Company Act.

All interested persons are invited to submit their views and comments on the following proposals to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549 on or before November 30, 1975. Such communications should refer to File No. S7-580 and will be available for public inspection. The text of the proposed rules and forms and amendments to rules, schedules and forms follows.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS,
Secretary.

AUGUST 25, 1975.

FOOTNOTES

¹ As adopted in 1968, section 13(d) (1) required disclosure of owners of more than ten percent of the class; the ten percent figure was lowered to five percent in 1970.

² Investigation in the Matter of Beneficial Ownership, Takeovers and Acquisitions of Securities by Foreign and Domestic Persons, Securities Act Release Nos. 5526 (September 9, 1974) and 5538 (November 5, 1974) (hereafter, Beneficial Ownership Hearings).

³ E.g. Disclosure of Corporate Ownership, S. Doc. 93-62, 93d Cong., 2d Sess. (1974). See also Hearings on Corporate Disclosure Before the Subcommittees on Inter-Governmental Relations and on Budgeting, Management and Expenditures of the Senate Committee on Government Operations, 93d Cong., 2d Sess. (1974).

⁴ S. Rep. No. 550, 90th Cong., 1st Sess. 7 (1967); H.R. Rep. No. 1711, 90th Cong., 2d Sess. 8 (1968).

⁵ Interagency Steering Committee on Uniform Corporate Reporting, Model Corporate Disclosure Regulations (January 1975).

⁶ For example, Rule 451 of the rules of the New York Stock Exchange and Rule 577 of the rules of the American Stock Exchange.

⁷ Securities Act Amendments of 1975 (Pub. L. 94-29).

⁸ *Slack v. Wings & Wheels Express, Inc.*, 70-71 Transfer Binder, CCH, Fed. Sec. L. Repr. para. 90,665 (S.D.N.Y. 1970) but see *Ozark Air Lines, Inc. v. Cox*, 326 F. Supp. 113 (E.D. Mo. 1971).

"GAF Corp. v. Milstein," 453 F.2d 709 (2d Cir. 1971), cert. denied 406 U.S. 910 (1972), but see "Bath Industries, Inc. v. Blot," 427 F.2d 97 (7th Cir. 1970).

"Associate" is defined in Rule 12b-2 (17 CFR 240.12b-2) under the Exchange Act to mean, when used to indicate a relationship with any person, (1) any corporation or organization (other than the registrant or a majority-owned subsidiary of the registrant) of which such person is an officer or partner or is, directly or indirectly, the beneficial owner of 10 percent or more of any class of equity securities, (2) any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity, and (3) any relative or spouse of such person, or any relative of such spouse, who has the same home as such person or who is a director or officer of the registrant or any of its parents or subsidiaries.

"Affiliate" is defined in Rule 12b-2 under the Exchange Act to mean a person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

Rule 13d-1 is proposed to be amended to read as follows:

§ 240.13d-1 Filing of Schedule 13D
(§ 240.13d-101).

(a) [No change]

(b) Not more than one report need be filed to report beneficial ownership of any securities by persons related by blood, marriage or adoption who share the same home; *Provided*, That the report filed shall identify all such persons and shall state that such report is filed on behalf of all such persons.

(c) Not more than one report need be filed to report beneficial ownership of the same securities by different persons; *Provided*, That the report filed shall disclose the names of all such persons, shall contain the required information about all such persons and their beneficial ownership of securities of the class being reported on, and shall indicate that such report is filed on behalf of all such persons.

Rule 13d-3 is proposed to be amended to read as follows:

§ 240.13d-3 Determination of beneficial ownership.

(a) For purposes of section 13(d), a beneficial owner of a security is any person who directly or indirectly through any contract, arrangement, understanding or relationship has or shares the power to direct the voting or the disposition of such security or has or shares the right to receive or the power to direct the receipt of dividends from or the proceeds from the sale of such security; *Provided, however, That:*

(1) A person shall be deemed to be a beneficial owner of all securities beneficially owned by all individuals who are related by blood, marriage or adoption to such person and who have the same home as such person;

(2) A person shall be deemed to be a beneficial owner of securities which such person has the right to acquire (1) through the exercise of an option, war-

rant or right exercisable within 60 days, (ii) through the conversion of securities convertible within 60 days, or (iii) pursuant to the power to revoke within 60 days a trust or similar arrangement. Any securities not outstanding which are subject to such options, warrants, rights or conversion privileges shall be deemed to be outstanding for the purpose of computing the percentage of outstanding securities of the class owned by such person but shall not be deemed to be outstanding for the purpose of computing the percentage of the class owned by any other person.

NOTE.—Any option, warrant, right or conversion privilege subject to conditions the material ones of which are within the control of the holder of the option, warrant, right or privilege, would be considered exercisable.

(3) A member of a national securities exchange shall not be deemed to be a beneficial owner of securities held directly or indirectly by it on behalf of another person solely because such member, pursuant to the rules of such exchange, may direct the vote of such securities, without instruction, on other than contested matters or matters that may affect substantially the rights or privileges of the holders of the securities to be voted, but is otherwise precluded by the rules of such exchange from voting without instruction;

NOTE 1.—It is possible that there may be more than one beneficial owner of the same securities since different persons may have the same or different powers with respect to the securities. For example, securities held in a trust might be beneficially owned by the trustee, the settlor, and the beneficiary of the trust. In such case, Rule 13d-1(c) allows only one report to be filed under certain circumstances.

NOTE 2.—All securities of the same class of the same issuer beneficially owned by any person would, regardless of the form which such beneficial ownership takes, be aggregated in calculating the number of shares beneficially owned by such person.

(b) Any person may expressly declare in any statement filed that the filing of such statement shall not be construed as an admission that such person is the beneficial owner of any securities covered by the statement.

Rule 13d-5 is proposed to read as follows:

§ 240.13d-5 Filing of Form 13D-5
(Schedule 13D-5), short form acquisition notice.

(a) A person, who after acquiring directly or indirectly the beneficial ownership of any equity security of a class described in section 13(d) (1) of the Act, is directly or indirectly the beneficial owner of more than five percent of such class, may in lieu of filing a Schedule 13D acquisition statement required by section 13(d) (1) of the Act, file with the Commission, within ten days after the end of the month in which such person became subject to section 13(d) (1), a short form acquisition notice on Form 13D-5 and send it, by registered or certified mail, to the issuer of the security at its principal executive office and to each exchange

where the security is traded, provided that:

(1) Such person has acquired such securities in the ordinary course of his business and not with the purpose nor with the effect of changing or influencing the control of the issuer, nor in connection with or as a participant in any transaction having such purpose or effect; and

(2) Such person is:

(i) A broker or dealer registered under section 15 of the Act;

(ii) An insurance company which would be required to file reports under the Act but for the exemption set forth in section 12(g) (2) (G) of the Act;

(iii) A bank which is required to file reports under section 12(i) of the Act;

(iv) An investment company registered under section 8 of the Investment Company Act of 1940;

(v) An investment adviser registered under section 203 of the Investment Advisers Act of 1940; or

(vi) An employee benefit plan, pension fund, or an endowment fund.

(b) Notwithstanding Rule 13d-2; *And provided*, That such person continues to meet the requirements set forth in Rule 13d-5(a), any person who has filed a short form acquisition notice on Form 13D-5 shall amend such form within ten days after the end of each calendar quarter to reflect, as of the end of the quarter, material changes, if any, in the information reported including a decrease in percentage of the class of securities held to five percent or less of the class. Such amendment shall be filed with the Commission and sent, by registered or certified mail, to the issuer of the security at its principal executive office and to each exchange where the security is traded.

NOTE.—Once an amendment has been filed reflecting beneficial ownership of five percent or less of the class of securities, no additional filings would be required unless the person thereafter becomes the beneficial owner of more than five percent of the class. In addition, no amendment would be required if there were no material change in the information previously reported.

(c) Notwithstanding paragraphs (a) and (b) of this section, if any person who has filed a short form acquisition notice on Form 13D-5 ceases to meet the requirements of Rule 13d-5(a), such person shall immediately become subject to Rule 13d-1.

Rule 13d-6 is proposed to read as follows:

§ 240.13d-6 Acquisition of securities.

(a) A person who becomes a beneficial owner of securities otherwise than through purchase of such securities shall be deemed to have acquired such securities for purposes of section 13(d) (1).

(b) Persons who agree, orally or in writing, to act together for the purpose of acquiring, holding or disposing of securities of an issuer shall be deemed to have acquired, as of the date of such agreement, beneficial ownership of all the securities of that issuer beneficially owned by such persons, for purposes of section 13(d) (1).

Rule 13d-7 is proposed to read as follows:

§ 240.13d-7 Exemption for certain underwriters.

An acquisition of equity securities of a class described in section 13(d)(1) by a person engaged in business as an underwriter of securities, through his participation in good faith in a firm commitment underwriting, shall be deemed not to be an acquisition for purposes of section 13(d). *Provided*, That, any such securities which are beneficially owned by such person for more than 40 days shall be deemed to have been acquired for purposes of section 13(d) at the end of such 40 day period.

Schedule 13D is proposed to be amended to read as follows:

§ 240.13d-101 Schedule 13D—Information to be included in statements filed pursuant to § 240.13d-1 or § 240.14d-1.

INSTRUCTIONS: A. [No change]

B. [No change in first sentence] If a person referred to in (1), (2), or (3) is a corporation or the statement is filed by a corporation, the information called for by the above-mentioned items shall be given with respect to each executive officer and director of such corporation and any affiliate of such corporation. Executive officer shall mean the president, secretary, treasurer, any vice president in charge of a principal business function (such as sales, administration or finance), and any other person who performs similar policy making functions for the corporation.

C. If filed by an individual on behalf of himself and persons related to him by blood, marriage or adoption who share the same home, the information called for by Items 2-6 inclusive shall be given with respect to the head of household and any adult person who would be the beneficial owner of the securities in the absence of the provisions for attribution in Rule 13d-3(a)(1).

Item 1. [No change.]

Item 2. Identity and Background.

(a)-(e) [No change.]

(f) Country of which such person is a national.

Item 3. Sources and Amount of Funds or Other Consideration.

[No change in first sentence] If the securities were acquired otherwise than by purchase, describe the method of acquisition and identify the person from whom the securities were acquired.

Item 4. [No change]

Item 5. Interest in Securities of the Issuer.

(a) State the aggregate number and percentage of the class represented by such shares beneficially owned (identifying those shares which there is a right to acquire) by each of the persons named in response to Item 2 and by each of his affiliates (other than the issuer of the securities), identifying any such affiliate.

(b) For each person named in response to paragraph (a), indicate the nature of such person's beneficial ownership (e.g., the power to direct the voting or disposition of the securities, or the right to receive or the power to direct the receipt of dividends or proceeds from the sale of the securities);

(c) If persons other than those named in paragraph (a) share beneficial ownership or a material amount of the securities reported on, identify such persons and the nature and extent of their beneficial ownership;

(d) If the persons named in response to this item share beneficial ownership of the same securities, disclose and quantify any overlapping ownership;

(e) Describe any transactions in the class of securities to be reported on that were effected during the past 60 days or since the most recent filing, whichever is less, by the persons named in response to paragraph (a) and by any executive officers, directors or affiliates of any subsidiaries of such person.

Item 6. Contracts, Arrangements or Understandings with Respect to Securities of the Issuer.

(a) Furnish any information as to any contracts, arrangements or understandings with any person with respect to any securities of the issuer, including but not limited to transfer or voting of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss, or guarantees of profits, division of profits or losses, or the giving or withholding of proxies, naming the persons with whom such contracts, arrangements or understandings have been entered into and giving the details thereof. Include such information for any of the securities that are pledged or are otherwise subject to a contingency the occurrence of which would give another person the power to direct the voting or disposition of the securities, or the right to receive or the power to direct the receipt of dividends or proceeds from the sale thereof.

(b) If the securities are held of record by someone other than the person filing this statement:

(1) Give the name and address of such record holder.

(2) If the record holder is a nominee, furnish in addition, the name and address of the person employing such nominee. For purposes of this paragraph, the person employing the nominee shall, in the case of securities which are evidenced by certificates registered in the name of a nominee for a clearing agency (e.g., the Depository Trust Company, Midwest Securities Trust Company, Pacific Securities Depository Trust Company, and National Clearing Corporation for which the nominees are, respectively, Cede & Co., Kray & Co., Pacific & Co., and NCC & Co.), be deemed to be the participant in such agency who deposited such securities.

(3) For purposes of this item, holder of record shall mean a person who is identified as the holder of such securities on the records of security holders maintained by or on behalf of the issuer.

Item 7. [No change]

Item 8. [No change]

Signature

I certify that to the best of my knowledge and belief the information set forth in this statement is true, complete and correct.

(Date)

(Signature)

The statement shall be signed by each person on behalf of whom the statement is filed, except that in the case of a statement filed on behalf of persons related by blood, marriage or adoption who share the same home, the statement shall be signed only by those persons about whom information is provided in accordance with Instruction C. Notwithstanding, the statement may be signed on behalf of a person by an authorized representative. In such case, evidence of the representative's authority to sign on behalf of such person shall be filed with the statement.

Rule 14d-1 is proposed to be amended to read as follows:

§ 240.14d-1 Filing Schedule 13D (§ 240.13d-101) and furnishing of information to security holders.

(a)-(f) [No change]

(g) The definition of beneficial owner set forth in Rule 13d-3 for purposes of section 13(d)(1) shall apply also for purposes of section 14(d)(1).

Schedule 14B is proposed to be amended to read as follows:

§ 240.14a-102 Schedule 14B. Information to be included in statements filed by or on behalf of a participant (other than the issuer) pursuant to § 240.14a-11(c) (Rule 14a-11(c)).

Item 3. Interests in Securities of the Issuer

(a)-(g) [No change]

Instruction. For purposes of this item, the definition of "beneficial owner" set forth in Rule 13d-3 under the Act shall apply.

Schedule 14A and Forms 10, 10-K, 12 and 12-K under the Exchange Act; Forms S-1, S-2, S-3, S-11 and 1-A under the Securities Act; and Form U5S under the Holding Company Act are proposed to be amended as follows:

The following items are proposed to replace existing items relating to principal security holders in Schedule 14A (17 CFR 240.14a-101) and in Forms 10 (17 CFR 249.210) and 10-K (17 CFR 249.310) under the Exchange Act; Forms S-1 (17 CFR 239.11), S-2 (17 CFR 239.12), S-3 (17 CFR 239.13), S-11 (17 CFR 239.18) and 1-A (17 CFR 239.90) under the Securities Act and Form U5S (17 CFR 259.55) under the Holding Company Act (in that form, disclosure must be made of all beneficial owners of more than one percent of the class). They are also proposed to be added to Forms 12 (17 CFR 249.212) and 12-K (17 CFR 249.312) under the Exchange Act.

Item X. Security Ownership and Holdings of Principal Owners and Management.

(a) Furnish the following information, in substantially the tabular form indicated, with respect to any person (including any "group" as that term is used in section 13(d)(3) of the Exchange Act) who is known to the registrant to be the beneficial owner of more than five percent of any class of the registrant's voting securities. Show in Column (3) the total number of shares beneficially owned and in Column (4) the percent of class so owned. If known, indicate in Column (5) the number of shares over which such listed beneficial owner has sole or shared power to direct the voting of such securities; show in Column (6) the number of shares over which such listed beneficial owner has sole or shared power to direct the disposition; and indicate in Column (7) the number of shares with respect to which such listed beneficial owner has or shares the right to receive or the power to direct the receipt of the dividends or proceeds from the sale. If known, indicate also the country of which each listed beneficial owner is a national.

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Title of class	Name and address of beneficial owner and country of which beneficial owner is a national	Amount beneficially owned	Percent of class	Authority to direct vote	Authority to direct disposition	Right to receive or power to direct receipt of dividends or proceeds from sale

(b) Furnish the following information, in substantially the tabular form indicated, as to each class of voting securities of the registrant or any of its parents or subsidiaries, other than directors' qualifying shares, beneficially owned by all directors and officers of the registrant as a group, without naming them. Indicate in Column (4) the number of shares over which such persons have sole

or shared power to direct the voting of such securities; show in Column (5) the number of shares over which such persons have or share the power to direct the disposition; and indicate in Column (6) the number of shares with respect to which such persons have or share the right to receive or the power to direct the receipt of the dividends or proceeds from the sale.

(1)	(2)	(3)	(4)	(5)	(6)
Title of class	Amount beneficially owned	Percent of class	Authority to direct vote	Authority to direct disposition	Right to receive or power to direct receipt of dividends or proceeds from sale

(c) Describe any arrangements known to the registrant including any pledge by any person of securities of the registrant or any of its parents, the operation of the terms of which may at a subsequent date result in a change in control of the registrant.

Instructions to Item X.

1. The percentages are to be calculated on the basis of the amount of outstanding securities, excluding securities held by or for the account of the issuer.

2. For purposes of this item, the definition of "beneficial owner" set forth in Rule 13d-3 under the Act shall apply. [In Securities Act forms, the text of Rule 13d-3 would be included in the instruction.]

3. The registrant shall be deemed to know the contents of any acquisition statements filed with the Commission pursuant to section 13(d) of the Act. A registrant may rely upon information set forth in such acquisition statements unless the registrant knows or has reason to believe that such information is not complete or accurate or that an

acquisition statement or amendment should have been filed and was not.

4. Where more than one beneficial owner is known to be listed for the same securities, appropriate disclosure should be made to avoid confusion.

5. Paragraph (c) does not require a description of ordinary default provisions contained in the charter, trust indentures or other governing instruments relating to securities of the registrant.

Item XA. Holdings of 30 Largest Security Holders of Record

1. Furnish the following information, in substantially the form indicated, with respect to each of the 30 largest holders of record, as of a recent date, of each class of voting securities of the registrant: *Provided, however*, That no information need be furnished as to any record holder of less than 1/10 of 1% of the class. If known, show in Column (5) the amount over which the holder of record has or shares the power to direct the voting of the securities held.

(1)	(2)	(3)	(4)	(5)
Title of class	Identity and address of holder of record	Amount held of record	Percent of class	Amount over which holder of record has sole or shared power to direct the vote

2. If, to the issuer's knowledge, a record holder named in response to paragraph (1) does not have the power to direct the vote of the securities held, furnish, if known, the information called for by paragraph (1) about the persons having the power to direct the vote of the ten largest blocks of such securities held of record by such record holder.

3. If the issuer has a parent corporation, the issuer should furnish the information required by paragraphs (1) and (2) of this item with respect to such parent corporation.

Form 13D-5, Short Form Acquisition Notice, is proposed to include the following:

§ 249.323 Form 13D-5, short form acquisition notice.

- (a). Name
- (b). Business Address of Principal Office
- (c). Country of Which Such Person is a National
- Name of Issuer
- Status of Investor
- Type of Ownership
- Ownership of Five Percent or Less of Class

6. Listing of Nominees

7. The securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purpose or effect.

8. Signature

(Secs 3(b), 7, 10, 19(a), 48 Stat. 75, 78, 81, 85; secs. 12, 13, 14, 15(d), 23(a), 48 Stat. 892, 894, 895, 901; secs. 5, 7, 14, 20, 49 Stat. 812, 815, 827, 833; secs. 205, 209, 48 Stat. 906, 908; secs. 1, 8, 49 Stat. 1375, 1379; 59 Stat. 167; secs. 8, 202, 68 Stat. 685, 686; secs. 4, 5, 6, 78 Stat. 569, 570-574; secs. 1, 2, 3, 82 Stat. 454, 455; secs. 1, 2, 3, 5, 28, 84 Stat. 1435, 1480, 1497; (15 U.S.C. 77c(b), 77g, 88j, 77s(a), 781, 78m, 78n, 78o(d), 78w(a), 79e, 79g, 79n, 79t))

[FR Doc.75-24167 Filed 9-10-75; 8:45 am]

[17 CFR Part 240]

[Release No. 34-11617; File No. S7-581]

REGISTERED BROKERS

Communications to Beneficial Owners

The Commission today proposed new Rule 14b-1 (17 CFR 240.14b-1) under the

Securities Exchange Act of 1934, "Obligations of Registered Brokers in Connection with the Timely Forwarding of Certain Communications to Beneficial Owners." The proposed rule would require a registered broker to (1) respond promptly, by means of a search card or otherwise, to inquiries made by issuers in accordance with Rule 14a-3(d) (17 CFR 240.14a-3) with respect to how many of the broker's customers are beneficial owners of the issuer's securities which are held of record by the broker or its nominees and (2) upon receipt of a sufficient number of proxy statements and annual reports to security holders and assurances that its reasonable expenses shall be paid by the issuer, to forward such materials in a timely manner to such customers. As an alternative to complying with the foregoing obligations, the proposed rule would permit a registered broker to furnish an issuer with a list of its customers who are beneficial owners of the issuer's securities held of record by the broker or its nominees provided that the broker also furnished authorization to vote such securities in accordance with instructions of the customer. A note to the proposed rules makes clear that a broker furnishing such a list to an issuer may impose reasonable conditions upon the issuer's use of such a list.

Last fall the Commission adopted Rule 14a-3(d) requiring that if an issuer knows that securities of a class entitled to vote at a meeting are held of record by a broker, dealer, bank or voting trustee or their nominees, the issuer must inquire of such record holder whether other persons are beneficial owners, and, if so, the issuer must supply the record holder with as many copies of proxy soliciting material and annual reports to security holders as requested by the record holder in order to send a copy of each to the beneficial owners. The issuer is also required to pay the reasonable expenses of the record holder for mailing the materials.¹ The Commission is proposing to amend Rule 14a-3(d) to require issuers to carry out their obligations in a timely manner and to reflect the obligations imposed on brokers by proposed Rule 14b-1. The proposed amendments would require that issuers make appropriate inquiry at least 10 days prior to the record date for the annual meeting and that issuers furnish record holders with their materials in a timely manner. The proposed amendments would also require that if a broker, pursuant to Rule 14b-1, provides the issuer with an appropriate list of names, addresses and holdings of its customers and appropriate authorization, the issuer must comply with the proxy rules with respect to such customers directly, i.e., the issuer must forward proxy materials and annual reports directly to the broker's customers.

The Commission has been concerned that persons whose securities are held in "street name" or nominee accounts for convenience, safety or other personal reasons receive information about the

¹ See Exchange Act Release No. 11079 (Oct. 31, 1974).

issuer of the securities in a timely manner. As the Commission recently noted, "the process of communication between issuers and beneficial owners is one which requires close cooperation among issuers, transfer agents, soliciting agents, and brokers, banks and other securities record holders such as securities depositories."²

The Commission adopted Rule 14a-3(d), "Information to be Furnished to Security Holders," based upon its own experience and its consideration of the letters of comment submitted in response to proposed Rule 14a-3(d). Many letters of comment supported the proposed rule but several letters also requested that the Commission take suitable action to require that record holders promptly forward materials received from issuers to beneficial owners.³

In late 1974, the Commission conducted a Public Fact-Finding Investigation in the Matter of Beneficial Ownership, Takeovers and Acquisitions by Foreign and Domestic Persons.⁴ One of the specific inquiries of that proceeding was whether the Commission should adopt rules to facilitate communications between issuers and the beneficial owners of their securities. During the proceeding the Commission received oral testimony and written comments on this inquiry from representatives of public companies, brokerage firms, banks and proxy soliciting firms and from attorneys and other interested persons.

Many of the witnesses and commentators noted that, from time to time, there have been breakdowns in connection with the timely distribution of issuer communications to beneficial owners. The Commission received inconsistent, and sometimes contradictory, testimony regarding the extent of, and the causes for, breakdowns in the distribution system. There appears, however, to be a consensus among most interested persons with experience in the distribution process that the performance in this area at times has varied greatly from issuer to issuer and from brokerage firm to brokerage firm.

Based upon the record in the Beneficial Ownership Proceeding and its own experience, the Commission is publishing for comment a proposed Rule 14b-1 relating to the obligations of registered brokers which would complement the obligations already imposed on issuers by the adoption of Rule 14a-3(d). The Commission believes that proposed Rule 14b-1, if adopted, would improve the distribution of issuer communications to beneficial owners. It should be particularly noted that all procedural rules and interpretations implementing the broad

mandate of Rule 14b-1, including the setting of "reasonable expenses," would continue to be administered and enforced by the various self-regulatory organizations.

The Commission recognizes that the imposition of obligations on brokerage firms alone will not assure that all beneficial owners receive issuer communications since other record holders such as banks and trust companies would not be subject to such obligations. Accordingly the Commission is concurrently transmitting its proposals in this area to the Comptroller of the Currency, the Federal Reserve System and the Federal Deposit Insurance Corporation recommending that they consider the adoption of comparable regulations for persons subject to their jurisdiction.

Based upon the record in the Beneficial Ownership Proceeding and its own experience, the Commission is publishing for comment proposed amendments to Rule 14a-3(d) in order to require issuers to carry out their obligations in a timely manner. In particular, issuers would be required to make appropriate inquiry of record holders at least ten days prior to the record date for the meeting of security holders and, upon receipt of a search card or other communication for the record holder, to furnish an appropriate amount of proxy materials and annual reports to record holders in a timely manner. The rule would also be amended to require an issuer to furnish these materials directly to beneficial owners if a broker chooses to comply with proposed Rule 14b-1(b) by furnishing a list of its customers to the issuer.

OPERATION OF PROPOSALS

The Commission is mindful of the cost to registrants, brokers and others of its proposals and it recognizes its responsibilities to weigh with care the costs and benefits which result from its rules. Accordingly, the Commission specifically invites comments on the cost to registrants, brokers and others of the proposals published in this release, if adopted.

The Commission hereby proposes for comment proposed Rule 14b-1 and proposed amendments to Rule 14a-3(d) pursuant to Sections 14(a), 14(b), and 23(a) of the Exchange Act. All interested persons are invited to submit their views and comments on the following proposal to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, Washington, D.C. 20549, on or before November 30, 1975. Such communications should refer to File No. S7-581, and will be available for public inspection.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS,
Secretary.

AUGUST 25, 1975.

Section 240.14a-3 is proposed to be amended as follows:

§ 240.14a-3 Information to be furnished to security holders.

(a)-(c) [No change.]

(d) If the issuer knows that securities of any class entitled to vote at a meeting with respect to which the issuer intends to solicit proxies, consents or authorization are held of record by a broker, dealer, bank or voting trustee, or their nominees, the issuer shall inquire of such record holder, at least ten days prior to the record date for the meeting of security holders, whether other persons are the beneficial owners of such securities and, if so, the number of copies of the proxy and other soliciting material and, in the case of an annual meeting at which directors are to be elected, the number of copies of the annual report to security holders, necessary to supply such material to beneficial owners. The issuer shall supply such record holder in a timely manner with additional copies in such quantities, assembled in such form and at such a place, as the record holder may reasonably request in order to address and send one copy of each to each beneficial owner of securities so held and shall, upon the request of such record holder, pay its reasonable expenses for completing the mailing of such material to security holders to whom the material is sent; provided, however, if a broker pursuant to Rule 14b-1, furnishes the issuer with a list as of the record date of the names, addresses and holdings of beneficial owners of securities held of record by the broker or its nominees and also furnishes appropriate authorization to vote such securities in accordance with the instructions of such customers, the issuer shall comply with the requirements of this rule for solicitation of proxies, consents or authorization with respect to such customers.

NOTE 1.—If the issuer's list of security holders indicates that some of its securities are registered in the name of a clearing agency (e.g., the Depository Trust Company, Midwest Securities Trust Company, and Pacific Securities Depository Trust Company, and National Clearing Corporation for which the nominees are, respectively, Cede & Co., Kray & Co., Pacific & Co., and NCC & Co.), an issuer shall make appropriate inquiry of the agency and thereafter of the participants in such an agency who may hold on behalf of a beneficial owner, and shall comply with the above paragraph with respect to any such participant.

NOTE 2.—The requirement for sending an annual report to security holders of record having the same address will be satisfied by sending at least one report to a holder of record at that address provided that those holders of record to whom a report is not sent agree thereto in writing. This procedure is not available to issuers, however, where banks, broker-dealers, and other persons hold securities in nominee accounts or "street names" on behalf of beneficial owners, and such persons are not relieved of any obligation to obtain or send such annual report to the beneficial owners.

² Exchange Act Release No. 11243 (Feb. 13, 1975).

³ Public Docket S7-504 (Letters of Comment in Response to Exchange Act Release No. 10591; Jan. 10, 1974).

⁴ Securities Act Release Nos. 5526 (Sept. 9, 1974) and 5538 (Nov. 5, 1974).

NOTE 3.—The attention of issuers is called to the fact that broker-dealers have an obligation pursuant to Rule 14b-1 and applicable self-regulatory requirements to obtain and forward annual reports and proxy soliciting materials in a timely manner to beneficial owners for whom such broker-dealers hold securities.

Section 240.14b-1 is proposed to read as follows:

§ 240.14b-1 Obligations of registered brokers in connection with the timely forwarding of certain communications to beneficial owners.

(a) A broker registered under Section 15 of the Act shall:

(1) Respond to an inquiry made in accordance with Rule 14a-3(d) by or on behalf of an issuer whose management is soliciting proxies, consents or authorization by promptly indicating, by means of a search card or otherwise, the approximate number of its customers who are beneficial owners of the issuer's securities that are held of record by the broker or its nominee; and

(2) Upon receipt of the proxy, other proxy soliciting material, and/or annual reports to security holders and of assurances that its reasonable expenses shall be paid by the issuer forward such materials in a timely manner to such customers; or

(b) In lieu of complying with the requirements of paragraph (a) of this section, a broker registered under section 15 of the Act may respond to an inquiry made in accordance with Rule 14a-3(d) by or on behalf of an issuer whose management is soliciting proxies, consents or authorization by promptly furnishing such issuer with:

(1) A list as of the record date of the names, addresses and holdings of its customers who are beneficial owners of the issuer's securities that are held of record by the broker or its nominee; and

(2) Authorization to vote such securities in accordance with the instructions of such customers.

NOTE.—A broker choosing to furnish a list of its customers who are beneficial owners to an issuer may impose reasonable conditions on the use of such a list—e.g., that the list be used only for the purposes of mailing annual reports and proxy materials to beneficial owners.

(Secs. 14(a), 14(b), 23(a), 48 Stat. 895, 901; sec. 5, 78 Stat. 569, 570; sec. 10, 78 Stat. 580; (15 U.S.C. 78n, 78w))

[FR Doc. 75-24166 Filed 9-10-75; 8:45 am]

INTERSTATE COMMERCE COMMISSION

[49 CFR Part 1037]

[No. 35220]

GRAIN AND GRAIN PRODUCTS

Practices and Policies in the Settlement of Loss and Damage Claims

SEPTEMBER 4, 1975.

Pursuant to numerous informal requests for modification of the present rules governing the handling of loss and damage claims on bulk grain and bulk grain products (49 CFR 1037), the Commission, Division 2, convened an informal conference on July 15, 1975, and a subsequent informal conference on August 14, 1975, in the above-entitled proceeding. In these informal conferences, shippers and carriers have generally represented that the present rules do not reflect the realities of rail operations and grain loading practices in the Nation and have resulted in hardships and inequities not contemplated in the prior report and order in No. 35220 (346 I.C.C. 33). The shippers and carriers have encouraged the Commission to modify the present rules so as to provide a workable scheme of rules to govern the handling of loss and damage claims and to eliminate certain obstacles to the efficient handling of grain and grain product traffic. Accordingly, the parties attending the August 14 conference agreed to the following modifications:

1. Revise Paragraph c of § 1037.1, to read as follows:

§ 1037.12 Weights and weighing.

(c) Shipping weights—Where the shipper weighs the grain or grain products for shipment and a claim for loss and damage is subsequently filed on that shipment, the shipper shall furnish the carrier with whom the claim is filed certificates of weight showing car initials and number; the kind of grain or grain products; the total scale weight; the type and house number of the scale used; the number of drafts and weight of each draft; the date and time of weighing; whether the weight is official, board-of-trade, grain-exchange, State, or other supervised weight; and the number of grain door used. This information should be furnished at the time the claim is filed.

§ 1037.2 [Amended]

2. In Paragraph a of § 1037.2, delete the words "open-top interior linings or" appearing in line 3 of that paragraph.

3. Establish a new provision, Paragraph c of § 1037.2 reading,

(c) Cars with open-top linings tendered by the railroads may be used by the shipper without jeopardizing any subsequent claim which may be filed.

4. In Paragraph (c) of § 1037.3, delete the last two sentences of that paragraph so that the provision will read,

§ 1037.3 Claims.

(c) In case of a disputed claim, the records of both the carrier and the claimant affecting the shipment involved shall be available to both parties. These records shall include a written complaint if any, filed by the shipper with the railroad at the time the car was placed for loading that the car was defective, and the written report of an investigation of the complaint, filed by the railroad with the shipper, if made.

This notice is being given to allow any interested party an opportunity to comment upon the proposed modifications. While the scope of the prior informal conferences included issues not covered by the proposed modifications, such as the application of the 1/4 of one percent weight tolerance on shipments moving prior to March 5, 1975, the Commission will address those additional issues in a separate order and not in conjunction with the implementation of the proposed modifications.

Accordingly, interested parties are invited to comment on the proposed modifications by written statement. Written statements are due 15 days from the date of service of this notice and should be confined to the modifications proposed herein.

It is ordered, That this notice of proposed rulemaking and modification of regulations be served upon the parties, and furnished to the general public by mailing a copy of this notice and order to the Governor of every State and to the Public Utilities Commission or Board having jurisdiction over transportation in each State, by depositing a copy of this order in the office of the Secretary, Interstate Commerce Commission, Washington, D.C., for public inspection, and by delivering a copy thereof to the Director, Office of The Federal Register, for publication in The Federal Register.

[SEAL]

ROBERT L. OSWALD,
Secretary.

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